

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 2004  
(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT FUND	OFFICE SERVICES REVOLVING FUND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 36,483	\$ 58,284	\$ 72,969
Payments to employees	(13,550)	(2,598)	(10,082)
Payments to suppliers	(13,253)	(51,233)	(55,565)
Claims paid	-	-	-
Other receipts	-	311	-
Other payments	(8,784)	-	-
Net cash provided (used) by operating activities	<u>\$ 895</u>	<u>\$ 4,764</u>	<u>\$ 7,322</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Loans or loan repayments from other funds	\$ 292	\$ 6,914	\$ 5,126
Loans or loan repayments to other funds	-	(11,714)	(7,941)
Transfers to other funds	(205)	(57)	(120)
Other receipts	-	-	9
Net cash provided (used) by noncapital financing activities	<u>\$ 88</u>	<u>\$ (4,856)</u>	<u>\$ (2,926)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	\$ (966)	\$ -	\$ (61)
Interest paid	(292)	-	-
Capital lease payments (including imputed interest expense)	-	-	(1,384)
Proceeds from sale of capital assets	-	120	59
Net cash provided (used) by capital and related financing activities	<u>\$ (1,258)</u>	<u>\$ 120</u>	<u>\$ (1,386)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends on investments	\$ -	\$ -	\$ -
Net cash provided (used) by investing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net cash provided (used) - all activities	\$ (275)	\$ 28	\$ 3,010
Cash and cash equivalents at beginning of year	<u>1,455</u>	<u>(38)</u>	<u>(2,992)</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 1,180</u></u>	<u><u>\$ (10)</u></u>	<u><u>\$ 18</u></u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Per Statement of Net Assets Classifications:			
Cash	\$ -	\$ -	\$ -
Equity in common cash	1,429	-	285
Warrants outstanding	(249)	(10)	(267)
Cash and cash equivalents at end of year	<u><u>\$ 1,180</u></u>	<u><u>\$ (10)</u></u>	<u><u>\$ 18</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (1,972)	\$ 598	\$ 95
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation expense	1,691	1,361	2,062
Net Changes in Assets and Liabilities:			
Inventories	1,059	(45)	1,332
Other assets (net)	11	4,026	(907)
Accounts payable and other liabilities	105	(1,175)	4,741
Net cash provided (used) by operating activities	<u><u>\$ 895</u></u>	<u><u>\$ 4,764</u></u>	<u><u>\$ 7,322</u></u>
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>			
Capital contributions	\$ -	\$ -	\$ -
Cost of capital assets acquisitions			
financed by capital leases	-	-	590
Capital lease liabilities entered into during the year	-	-	(590)
Gain (loss) on disposal of capital assets	(292)	-	(46)
Total noncash investing, capital, and financing activities	<u><u>\$ (292)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (46)</u></u>

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**

FISCAL YEAR ENDED SEPTEMBER 30, 2004

(In Thousands)

	INFORMATION TECHNOLOGY FUND	RISK MANAGEMENT FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 450,982	\$ 4,623	\$ 928,980	\$ 1,552,322
Payments to employees	(132,035)	(608)	-	(158,873)
Payments to suppliers	(291,209)	(1,192)	(265,677)	(678,130)
Claims paid	-	(3,136)	(677,892)	(681,027)
Other receipts	-	-	-	311
Other payments	-	-	-	(8,784)
Net cash provided (used) by operating activities	\$ 27,738	\$ (312)	\$ (14,589)	\$ 25,819
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Loans or loan repayments from other funds	\$ -	\$ -	\$ 19,655	\$ 31,987
Loans or loan repayments to other funds	-	-	(12,040)	(31,695)
Transfers to other funds	(795)	(8)	(5)	(1,190)
Other receipts	-	-	-	9
Net cash provided (used) by noncapital financing activities	\$ (795)	\$ (8)	\$ 7,610	\$ (888)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(18,487)	\$ -	\$ -	\$ (19,514)
Interest paid	-	-	-	(292)
Capital lease payments (including imputed interest expense)	(15,653)	-	-	(17,037)
Proceeds from sale of capital assets	-	-	-	180
Net cash provided (used) by capital and related financing activities	\$ (34,140)	\$ -	\$ -	\$ (36,664)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends on investments	\$ -	\$ -	\$ 3,025	\$ 3,025
Net cash provided (used) by investing activities	\$ -	\$ -	\$ 3,025	\$ 3,025
Net cash provided (used) - all activities	\$ (7,197)	\$ (321)	\$ (3,954)	\$ (8,708)
Cash and cash equivalents at beginning of year	31,105	8,631	241,487	279,647
<b>Cash and cash equivalents at end of year</b>	<b>\$ 23,908</b>	<b>\$ 8,310</b>	<b>\$ 237,533</b>	<b>\$ 270,939</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>				
Per Statement of Net Assets Classifications:				
Cash	\$ 1	\$ -	\$ 90	\$ 91
Equity in common cash	25,697	8,310	238,716	274,437
Warrants outstanding	(1,790)	-	(1,273)	(3,589)
Cash and cash equivalents at end of year	\$ 23,908	\$ 8,310	\$ 237,533	\$ 270,939
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (2,436)	\$ 553	\$ (1,715)	\$ (4,876)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation expense	43,852	-	-	48,966
Net Changes in Assets and Liabilities:				
Inventories	-	-	-	2,346
Other assets (net)	102	5	(15,840)	(12,603)
Accounts payable and other liabilities	(13,779)	(871)	2,965	(8,014)
Net cash provided (used) by operating activities	\$ 27,738	\$ (312)	\$ (14,589)	\$ 25,819
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Capital contributions	\$ 1,125	\$ -	\$ -	\$ 1,125
Cost of capital assets acquisitions				
financed by capital leases	9,986	-	-	10,576
Capital lease liabilities entered into during the year	(9,986)	-	-	(10,576)
Gain (loss) on disposal of capital assets	-	-	-	(339)
Total noncash investing, capital, and financing activities	\$ 1,125	\$ -	\$ -	\$ 786